

Senate File 2343 - Introduced

SENATE FILE 2343

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2032)

A BILL FOR

1 An Act relating to qualification requirements for the renewable
2 energy tax credit.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476C.1, subsection 6, paragraph d, Code
2 2014, is amended to read as follows:

3 *d.* Was initially placed into service on or after July 1,
4 2005, and before January 1, ~~2015~~ 2017.

5 Sec. 2. Section 476C.3, subsection 5, Code 2014, is amended
6 to read as follows:

7 5. *a.* Notwithstanding the definition of "*eligible renewable*
8 *energy facility*" in section 476C.1, subsection 6, unnumbered
9 paragraph 1, of the maximum amount of energy production
10 capacity equivalent of all other facilities found eligible
11 pursuant to subsection 4, paragraph "*b*", an amount equivalent
12 to ten megawatts of nameplate generating capacity shall be
13 reserved for natural gas, methane and landfill gas, or biogas
14 cogeneration facilities incorporated within or associated
15 with an ethanol plant to assist the ethanol plant in meeting
16 a low carbon fuel standard. Thermal heat generated by the
17 cogeneration facility and used for a commercial purpose may
18 be counted toward satisfying the ten megawatt reservation
19 requirement.

20 *b.* A facility that has been issued a tax credit certificate
21 for a natural gas cogeneration facility incorporated within
22 or associated with an ethanol plant pursuant to paragraph "*a*"
23 prior to July 1, 2014, shall not be required to submit a new
24 application if the facility constructs or utilizes methane and
25 landfill gas or biogas cogeneration facilities on or after that
26 date and continues to meet the requirements of an eligible
27 renewable energy facility.

28 Sec. 3. Section 476C.5, Code 2014, is amended to read as
29 follows:

30 **476C.5 Certificate issuance period.**

31 A producer or purchaser of renewable energy may receive
32 renewable energy tax credit certificates for a ten-year period
33 for each eligible renewable energy facility under this chapter.
34 The ten-year period for issuance of the tax credit certificates
35 begins with the date the purchaser of renewable energy first

1 purchases electricity, hydrogen fuel, methane gas or other
2 biogas used to generate electricity, or heat for commercial
3 purposes from the eligible renewable energy facility for
4 which a tax credit is issued under this chapter, or the date
5 the producer of the renewable energy first uses the energy
6 produced by the eligible renewable energy facility for on-site
7 consumption. Renewable energy tax credit certificates shall
8 not be issued for renewable energy purchased or produced for
9 on-site consumption after December 31, 2024 2026.

10 EXPLANATION

11 The inclusion of this explanation does not constitute agreement with
12 the explanation's substance by the members of the general assembly.

13 This bill relates to the renewable energy tax credit
14 established in Code chapter 476C.

15 Currently, to be considered a renewable energy facility
16 eligible for qualification for the tax credit, a facility
17 must have been initially placed into service on or after July
18 1, 2005, and before January 1, 2015. The bill extends the
19 latter date by two years, to January 1, 2017, resulting in an
20 additional two years for a facility to be placed into service
21 and qualify for the credit. The bill makes a corresponding
22 change to extend the 10-year duration during which a producer
23 or purchaser of renewable energy may receive renewable energy
24 tax credit certificates from an end date of December 31, 2024,
25 to December 31, 2026.

26 Additionally, the bill modifies provisions relating to
27 the reservation of a specified amount of renewable energy
28 tax credits being reserved for specified renewable energy
29 facilities. Currently, an amount equivalent to 10 megawatts
30 of nameplate generating capacity is reserved for natural gas
31 cogeneration facilities incorporated within or associated
32 with an ethanol plant to assist the plant in meeting a low
33 carbon fuel standard. The bill expands facilities to which the
34 reserved amount applies to include methane and landfill gas and
35 biogas cogeneration facilities, and provides that thermal heat

1 generated by the cogeneration facility may be counted toward
2 satisfying the 10 megawatt reservation requirement.

3 The bill further provides that a facility which has been
4 issued a tax credit certificate for a natural gas cogeneration
5 facility prior to July 1, 2014, does not need to reapply for
6 a certificate if the facility constructs or utilizes methane
7 and landfill gas or biogas cogeneration facilities on or after
8 July 1, 2014, and continues to meet all other requirements
9 applicable to an eligible renewable energy facility.